

# Oregon Telephone Assistance Program (OTAP)/Lifeline Application

You may complete an OTAP/Lifeline application online at: [www.rspf.org](http://www.rspf.org)

Oregon Public Utility Commission  
 PO Box 2148, Salem OR 97308  
 1-800-848-4442 or 503-373-7171  
 1-800-648-3458 (TTY)  
 971-239-5845 (Videophone)  
 Fax: 1-877-567-1977 or 503-378-6047  
[puc.rspf@state.or.us](mailto:puc.rspf@state.or.us)

The Oregon Public Utility Commission (PUC) manages the Oregon Telephone Assistance Program (OTAP), also known as Lifeline. If you qualify, this federal and state government assistance program reduces your monthly phone bill by \$12.75.

**You may qualify if you participate in one of the following programs:**

- Supplemental Nutrition Assistance Program; Food Stamps (SNAP)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch Program; *Free Lunch Program Only* (NSLP)
- Certain State Medical Programs or Certain Medicaid Programs at or below 135% of the federal poverty guidelines

**Landline phone companies that provide the OTAP/Lifeline benefit:**

Asotin	Frontier	Nehalem	Roome Tel Com
Beaver Creek	Gervais	North State	Scio Mutual
Canby Co-Op	Helix	Oregon Tel. Corp.	St. Paul
CenturyLink	Home/TDS	Oregon/Idaho	Stayton Co.
Clear Creek	Molalla	People's	Warm Springs
Colton	Monitor	Pine Phone Co.	
ComSpan	Monroe	Pioneer	
Eagle	Mt. Angel	Reliance Connects	

**Wireless phone companies that provide the OTAP/Lifeline benefit:**

AT&T Mobility\* -in select areas      Cricket      Snake River PCS      US Cellular

**The OTAP/Lifeline benefit cannot be applied to Pay-As-You-Go Plans.**

\*AT&T Mobility only offers the OTAP/Lifeline benefit in select areas.  
 Call 1-800-377-9450 to determine if the OTAP/Lifeline benefit is offered in your coverage area.



**AKT**

**CPAS AND BUSINESS CONSULTANTS**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Trans-Cascades Telephone Company  
Estacada, Oregon

We have audited the accompanying financial statements of Trans-Cascades Telephone Company (the Company), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trans-Cascades Telephone Company at December 31, 2013 and 2012, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2014, on our consideration of Trans-Cascades Telephone Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trans-Cascades Telephone Company's internal control over financial reporting and compliance.

**AKT LLP**

Salem, Oregon  
April 22, 2014

580 HAWTHORNE AVENUE SE, #140, SALEM, OR 97301

PHONE: 503.595.7774 FAX: 503.364.8405

PORTLAND, OR | SALEM, OR | CARLSBAD, CA | ESCONDIDO, CA | SAN DIEGO, CA | ANCHORAGE, AK

AKT LLP

**TRANS-CASCADES TELEPHONE COMPANY**

**Balance Sheets**

December 31, 2013 and 2012

<b>ASSETS</b>	<u>2013</u>	<u>2012</u>
<b>Current Assets:</b>		
Cash and cash equivalents		
Marketable securities	R	R
Accounts receivable		
Accounts receivable, affiliates	E	E
Prepaid expenses		
Income taxes receivable	D	D
 Total Current Assets	 A	 A
<b>Other Assets:</b>		
Marketable securities	C	C
Investments		
 Total Other Assets	 T	 T
 Property, Plant, and Equipment:	 E	 E
In service	D	D
Under construction		
 Less accumulated depreciation	 Hard	 Hard
 Property, Plant, and Equipment, net	 Copy	 Copy
	To	To
	Be	Be
	Mailed	Mailed

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities:</b>		
Current portion of long-term debt		
Accounts payable	R	R
Accrued liabilities		
Customer deposits and advance billing	E	E
<b>Total Current Liabilities</b>	<b>D</b>	<b>D</b>
<b>Long-Term Liabilities: Long-term debt</b>		
<b>Total Liabilities</b>	<b>A</b>	<b>A</b>
	<b>C</b>	<b>C</b>
<b>Stockholders' Equity:</b>		
Common stock, authorized 50,000 shares, \$1 par value	T	T
24,122 shares issued and outstanding		
Additional paid in capital	E	E
Accumulated other comprehensive income		
Retained earnings	D	D
<b>Total Stockholders' Equity</b>		
	<b>Hard</b>	<b>Hard</b>
	<b>Copy</b>	<b>Copy</b>
	<b>To</b>	<b>To</b>
	<b>Be</b>	<b>Be</b>
	<b>Mailed</b>	<b>Mailed</b>

**TRANS-CASCADES TELEPHONE COMPANY**

**Statements of Income**

**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Local network		
Network access	R	R
Miscellaneous		
Total Operating Revenues	E	E
Operating Expenses:	D	D
Plant specific		
Plant nonspecific	A	A
Customer		
Corporate	C	C
Depreciation		
Total Operating Expenses	T	T
Operating Income Tax Benefit	E	E
Other Operating Taxes		
Total Operating Expense and Taxes	D	D
Operating Income		
Other Income (Expense):		
Investment income	Hard	Hard
Interest expense		
Non-regulated expense, net	Copy	Copy
Non operating income tax benefit		
Total Other Income	To	To
Net Income	Be	Be
	<b>Mailed</b>	<b>Mailed</b>

## TRANS-CASCADES TELEPHONE COMPANY

## Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities:</b>		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:	R	R
Depreciation	E	E
Amortization of bond premium	E	E
Change in deferred taxes	D	D
Realized loss on sale of marketable securities	D	D
Changes in assets and liabilities:		
Accounts receivable	A	A
Accounts receivable, affiliate	A	A
Income taxes receivable	C	C
Prepaid expenses	C	C
Accounts payable	T	T
Accrued expenses	T	T
Customer deposits and advance billing	E	E
Net Cash Provided by Operating Activities	D	D
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sale and maturities of marketable securities		
Purchase of marketable securities		
Purchase of property, plant, and equipment	Hard	Hard
Net Cash Used by Investing Activities	Copy	Copy
<b>Cash Flows from Financing Activities:</b>		
Proceeds on long-term debt	To	To
Payments on long-term debt	To	To
Proceeds from ARRA BIP grant	Be	Be
Dividends and distributions paid	Be	Be
Net Cash Provided by Financing Activities	Mailed	Mailed
Net Change in Cash and cash equivalents		
Cash and cash equivalents, beginning		
Cash and cash equivalents, ending		2
Cash Paid During the Year for Taxes		
Cash Paid During the Year for Interest		



**FINANCIAL AND STATISTICAL REPORT  
FOR BROADBAND BORROWERS**

BORROWER DESIGNATION

OR1109

PERIOD ENDING

December, 2013

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	YEAR-TO-DATE
1. Local Network Services Revenues	R
a. Voice	
b. Video	E
c. Internet	
i. Broadband	D
ii. Other	
2. Network Access Services and Long Distance Revenues	A
3. Miscellaneous Revenues	C
4. Other Operating Income	
5. Uncollectible Revenues	T
6. Net Operating Revenues (11 thru 4 less 5)	
7. Plant Specific Operations Expense	E
8. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	D
9. Customer Operations Expense	
10. Corporate Operations Expense	
11. Other Operating Expenses	F
12. Total Operating Expenses (7 thru 11)	
13. Operating Income or Margins (6 less 12)	O
14. Nonoperating/Nonregulated Net Income	
15. EBITDA (13 + 14)	R
16. Depreciation Expense	
17. Amortization Expense	
18. EBIT (15 - 16 - 17)	
19. Interest on Funded Debt	P
20. Other Interest Expense	U
21. Taxes	
a. Property	B
b. Income	
22. Total Net Income or Margins (18-19-20-21)	L
23 Dividends Declared (Common)	I
24 Dividends Paid	
25 Transfers to Patronage Capital	C
26 Principal Payments on Long Term Debt and Capital Leases	
27 TIER (18 + 25 + 22) / (19 + 20)	

V  
I  
E  
W

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-5, WT Docket No. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

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**PART C. SERVICES**

No.	SERVICE OFFERINGS	1. RATES		2. SUBSCRIBERS		Total (c)
		Residential (a)	Business (b)	Residential (a)	Business (b)	
	Broadband Data Packages					
1		R	R			
	Double Play - Voice/Broadband Data					
2	1m/512k	E	E		P	P
3	1.5m/768k	D	D		U	U
4	1m/384k	A	A		B	B
		C	C		L	L
		T	T		I	I
		E	E		C	C
		D	D			
					V	V
		F	F		I	I
		O	O		E	E
		R	R		W	W

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**PART C. COMMUNITIES**

No.	Community	County	State	No. Broadband Data Customers	Broadband Application
1	Antelope city				
	R	R			P
	E	E		P	U
	D	D		U	B
	A	A		B	L
	C	C		L	I
	T	T		I	C
	E	E		C	
	D	D			V
				V	I
	F	F		I	E
	O	O		E	W
	R	R		W	

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PART D. STATEMENT OF CASH FLOWS

1.	Beginning Cash		R
			E
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			D
2.	Net Income		A
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			C
3.	Add: Depreciation		T
4.	Add: Amortization		E
5.	Other (Explain) Other Investments		D
<i>Changes in Operating Assets and Liabilities:</i>			
6.	Decrease/(Increase) in Accounts Receivable		R
7.	Decrease/(Increase) in Materials and Inventory		E
8.	Decrease/(Increase) in Other Current Assets		D
9.	Increase/(Decrease) in Accounts Payable		A
10.	Increase/(Decrease) in Other Current Liabilities		C
11.	Net Cash Provided/(Used) by Operations		T
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			E
12.	Decrease/(Increase) in Notes Receivable		D
13.	Increase/(Decrease) in Notes Payable		
14.	Plus/(Less) Net Increase/(Decrease) in Long Term Debt (including current maturities)		F
15.	Plus: Increase/(Less: Decrease) in Capital Stock, Paid-in Capital or Membership and Capital Certificates		O
16.	Less: Payment of Dividends		R
17.	Other (Explain)		
18.	Net Cash Provided/ (Used) by Financing Activities		P
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			U
19.	Net Capital Expenditures		B
20.	Long-Term Investments		L
21.	Other (Explain)		I
22.	Net Cash Provided (Used) by Investing Activities		C
23.	Net Increase/ (Decrease) in Cash		V
	Ending Cash		

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**PART E. BIP PERFORMANCE MEASURES**

	New Broadband Service	Improved Broadband Service
1. Number of households subscribing to		
2. Number of businesses subscribing to		
3. Number of educational providers receiving		
4. Number of libraries receiving		
5. Number of health care providers receiving		
6. Number of public safety providers receiving		

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**Notes to Operating Report - Broadband**